

VZCZCXRO4666
RR RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR
DE RUEHBR #0849/01 1721928
ZNY CCCCC ZZH
R 201928Z JUN 08
FM AMEMBASSY BRASILIA
TO RUEHC/SECSTATE WASHDC 1923
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUEHCV/AMEMBASSY CARACAS 4124
RUEHPE/AMEMBASSY LIMA 3836
RUEHRG/AMCONSUL RECIFE 8163
RUEHRI/AMCONSUL RIO DE JANEIRO 6290
RUEHSO/AMCONSUL SAO PAULO 2260

C O N F I D E N T I A L SECTION 01 OF 02 BRASILIA 000849

SIPDIS

DEPARTMENT FOR WHA/BSC, EUR/ERA

E.O. 12958: DECL: 06/16/2016

TAGS: [PREL](#) [BR](#) [EU](#)

SUBJECT: BRAZIL AND EUROPE: PRIORITIES AND PARADOX

BRASILIA 00000849 001.2 OF 002

Classified By: A/DCM Frank Manganiello, Reason: 1.4 (b) and (d)

11. (C) SUMMARY. Although relations with Europe do not figure highly in Brazilian public statements of foreign policy priorities, Brazil,s relations with the EU and with major European governments are gaining in importance and complexity. As with the United States, Brazilian leaders sometimes seek political advantage from reflexive opposition to Europeans, but, as Brazil seeks a global role, its political approach to Europe will continue to develop. Several recent high-level visits to Brazil by European leaders and Brazil-EU discussions on the margins of the EU-Latin America Summit in Lima illustrate that, while closer European relations may not rank high on Brazil,s foreign policy wish list, its importance remains high. The challenge will be to include Brazil as an Atlantic partner, rather than allow it to be a catalyst for U.S.-EU competition. END SUMMARY.

12. (C) In public statements of Brazil,s foreign policy priorities, South America, Africa and the BRIC countries tend to figure prominently, with the United States and Europe far down the list. In fact, for the May 2008 EU-Latin America Summit in Lima, the Ministry for External Relations (MRE) had to bring Brazil,s consul from San Francisco back TDY as MRE,s understaffed Europe division had no one to work Summit issues. Nonetheless, with a growing economy and aspirations to a more prominent global role, Brazil,s relations with Europe are developing more rapidly than with many other regions. Economic potential and Brazil,s historic ties to Europe drive the relationship, despite MRE,s preference for a greater focus on the developing world. Brazil has recently completed &action8 plans with the EU and with Germany that highlight areas for future cooperation, including energy, research and development and UN reform. While for political purposes, the GOB continues to emphasize South America and Africa, in 2007 President Lula visited more countries in Europe (ten) than any other continent.

KEY ISSUES

13. (C) Biofuels are at the top of Brazil,s list of policy priorities when dealing with Europe. President Lula has condemned EU governments for their reluctance to import more Brazilian ethanol, blaming protectionism and misplaced concerns about the effects of ethanol production. While high oil prices have generated interest in Brazilian ethanol, environmental concerns and technical barriers hold back European purchases. Ironically, although it was Volkswagen that helped produce the first mixed fuel vehicles in Brazil, the government of Germany has opposed increase domestic use

of ethanol because the majority of German cars cannot use more than a small percentage of ethanol in their fuel. During the Lima Summit and in bilateral Brazil-EU consultations, there was general agreement that the environment was an important area of mutual interest, but the EU proposal for a passage on climate change in the Summit declaration met with Brazilian opposition. Officially, Brazil objected to the text being introduced late in the negotiation process, but MRE was also uncomfortable with what it believed could be interpreted as criticism of Brazil's management of deforestation in the Amazon region.

¶4. (C) Brazil has pursued a strong relationship with the EU on security issues. With the increasing understanding that Brazil's military need modernization, MRE has sought to promote the idea that European defense exporters would be more reliable when it comes to technology transfer than those from the United States. Brazilian leaders, including Defense Minister Jobim, have announced their intention to purchase French submarine technology to develop nuclear propulsion capability, although the French Embassy claims there is no agreement yet on such a purchase. At the same time, the German Embassy reports continued interest in German-made submarines. At Lima, Brazil sought and received praise for its leadership role in the UN Mission in Haiti. Brazil has cooperated with Germany to build support for a permanent UN Security Council seat. While Brazil and the EU agreed on the importance of UNSC reform in Lima, the endorsement lacked specifics. Jobim also recently invited NATO SecGen de Hoop Scheffer to visit Brazil to discuss Atlantic security.

¶5. (C) While Brazil has been the main proponent of greater South American integration through UNASUL, in its relations with the EU, Brazil has preferred a bilateral approach. The

BRASILIA 00000849 002.2 OF 002

Lima Summit declaration focused on sustainable development, eliminating inequality, energy and other topics well within the center-left mainstream but stayed away from specific programs. The MRE described the Summit outcome as a maturing relationship.⁸ One EU diplomat differed, describing the Brazilian delegation as difficult⁸ and finicky,⁸ preferring its bilateral relationship with the EU to working toward greater regional integration. Within Brazil the visits of German Chancellor Merkel and Spanish Prime Minister Zapatero were well-received. Even though they yielded little of substance, Brazilians like to know they are being treated as an important country and look to Europe, like the United States and their BRIC partners (Russia, India, and China), for validation of this importance.

¶6. (C) COMMENT. Brazil has many of the same challenges in its relations with Europe as it does with the United States, including trade barriers, immigration, and differences on environmental issues. Similarly, the United States and Europe share an interest in seeing Brazil become more a part of the international mainstream and a partner in trade, global security, and democracy promotion. Many Brazilians, particularly in the MRE, prefer to see Europe, and especially the EU, as a useful counterweight to the United States, as Brazil pursues its "rightful place" in a multipolar⁸ world order, a vision that often provides a convenient mask for anti-Americanism. The interests of the United States, Brazil, and EU members are best served by a relationship built on cooperation, not competition. The challenge for U.S. policy is to promote an alternative vision of a growing trans-Atlantic partnership of democracies that includes Brazil and its neighbors working with Europe and the U.S. to promote greater prosperity and security.

SOBEL